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Senate Finance Committee

EXHIBIT 10

ASSUMPTIONS
Base Case – 85% Capacity Factor

PUERTO QUETZAL POWER PROJECT

514BANKb

SALES		
Plant Capacity	110 MW	
Empresa Sales	110 MW	

PRICING Empresa		Escalation
Capacity Charge (1992)	$17.00 /kw/mo	3.00%
Capacity Charge (2005-07)	$22.78 /kw/mo	0.00%
Energy Payments	$0.035 /kwh	5.00%

FUEL PURCHASES		
NO. 6 Purchase Terms (1992)	1.0% Sulfur	Escalation
Commodity Price	$2.26 /MMBTU	5.00%
Import Tax	$0.00 /MMBTU	0.00%
Transport Charge	$0.33 /MMBTU	5.00%

TAX ASSUMPTIONS	
Book Earnings Tax Rate	41.00%
Income Tax Rate (Guatemala only)	25.0%
Stamp Tax Rate	
Book Depreciation (Straight Line)	20 Years
Tax Depreciation	12 Years

Pre-Tax Debt Coverage:	
Average:	1.88
Minimum:	1.69

OPERATING EXPENSES (1992)		Escalation
Misc O&M	$2.12 MM	10.00%
General & Admin.	$0.15 MM	10.00%
Maintenance Expense	$1.50 MM	5.00%
Payroll	$1.38 MM	10.00%
Insurance	$0.75 MM	5.00%
OPIC Insurance	2.2% of Financing	
Local Taxes / Rents	$0.70 MM	10.00%
Contingency	$0.75 MM	5.00%
O & M Fee	2.0% of Revenue	

OTHER PLANT DATA		
Plant Capacity Factor	85.00%	
Heat Rate Combined Cycle	9,225	Btu/kwh
Project Life	15	Years
Startup	12/01/92	
Mos. of Operations 1992	1	month
Mos. of Operations 1993–2007	12	months
Construction Period	7	months

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CAPITAL STRUCTURE	
Long-Term Debt	75.00%
Equity	25.00%
Total	100.00%
EPC'S % of Equity / Cash Flow	50.00%

FINANCING ASSUMPTIONS		
Principal Amount	$71.25	MM
Interest Rate (Term)	10.50%	(Fixed)
Grace Period	1.0	Year
Term of Loan	12	Years
Royalty Payment	6.00%	

CAPITAL COSTS (1992)		
Direct Plant Cost	77.40	MM
Total Direct Cost	77.40	MM
Const. Mang. & Dev. Costs	5.82	MM
Startup Costs	0.65	MM
Legal Fees	0.75	MM
Working Capital	2.00	MM
Texas Ohio Payment	1.00	MM
Financing Fees	1.78	MM
Contingency/Allow. for Change	5.60	MM
Total Project Cost	$95.00	MM

CASH FLOW — PUERTO QUETZAL ... WER PROJECT

16-Jul-92
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REVENUES ($000s)	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Capacity Payments	$1,870	$22,440	$23,113	$23,807	$24,521	$25,256	$26,014	$26,795	$27,598	$28,426	$29,279	$30,157	$31,062	$30,070	$30,070	$30,070
Energy Payments	2,389	30,100	31,605	33,186	34,845	36,587	38,417	40,337	42,354	44,472	46,696	49,030	51,482	54,056	56,759	59,597
Total Capacity and Energy Payments	4,259	52,540	54,719	56,992	59,366	61,844	64,431	67,132	69,953	72,898	75,975	79,188	82,544	84,126	86,828	89,666
Revenues (cents/kwh)	6.24	6.41	6.68	6.96	7.25	7.55	7.87	8.20	8.54	8.90	9.28	9.67	10.08	10.27	10.60	10.95
Guatemalan Share of Revenues – 6%	(256)	(3,152)	(3,283)	(3,420)	(3,562)	(3,711)	(3,866)	(4,028)	(4,197)	(4,374)	(4,558)	(4,751)	(4,953)	(5,048)	(5,210)	(5,380)
Net Revenues	4,003	49,388	51,436	53,573	55,804	58,133	60,565	63,104	65,756	68,524	71,416	74,437	77,592	79,078	81,619	84,286
EXPENSES																
Fuel Costs: (#6 Oil)																
Transportation	208	2,618	2,749	2,886	3,031	3,182	3,341	3,508	3,684	3,868	4,062	4,265	4,478	4,702	4,937	5,184
Commodity Charge	1,423	17,930	18,826	19,768	20,756	21,794	22,884	24,028	25,229	26,491	27,815	29,206	30,666	32,200	33,810	35,500
Import Duties / Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fuel Cost	1,631	20,548	21,575	22,654	23,787	24,976	26,225	27,536	28,913	30,359	31,877	33,471	35,144	36,901	38,746	40,684
Operations & Maintenance:																
O & M Fee	85	1,051	1,094	1,140	1,187	1,237	1,289	1,343	1,399	1,458	1,519	1,584	1,651	1,683	1,737	1,793
Maintenance Reserve	125	1,500	1,575	1,654	1,736	1,823	1,914	2,010	2,111	2,216	2,327	2,443	2,566	2,694	2,828	2,970
Miscellaneous O&M	177	2,120	2,332	2,565	2,822	3,104	3,414	3,756	4,131	4,544	4,999	5,499	6,049	6,653	7,319	8,051
Texas Ohio Power Payment	0	700	0	0	0	0	0	0	0	0	0	0	0	0	0	0
General & Admin.	13	152	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	269	296	326	358	394	434	477	525	577
Local Taxes / Rent	58	700	770	847	932	[illegible]	[illegible]	[illegible]	[illegible]	1,501	1,651	1,816	1,997	2,197	2,417	2,658
Insurance (Liability/Business Interup.)	63	750	788	827	868	912	957	1,005	1,055	1,108	1,163	1,222	1,283	1,347	1,414	1,485
OPIC Insurance	170	2,038	1,879	1,617	1,402	1,294	1,183	1,060	924	774	609	426	0	0	0	0
Payroll	115	1,381	1,519	1,671	1,838	2,022	2,224	2,447	2,691	2,960	3,256	3,582	3,940	4,334	4,768	5,244
Contingency	63	750	788	827	868	912	957	1,005	1,055	1,108	1,163	1,222	1,283	1,347	1,414	1,485
Total O&M	868	11,142	10,911	11,331	11,856	12,550	13,311	14,134	15,027	15,996	17,046	18,187	19,202	20,732	22,421	24,264
Total Operating Expenses	2,499	31,690	32,487	33,986	35,643	37,527	39,536	41,671	43,941	46,355	48,923	51,657	54,346	57,633	61,168	64,947
Net Operating Cash Flow	1,505	17,698	18,949	19,587	20,161	20,606	21,029	21,433	21,815	22,170	22,493	22,779	23,246	21,445	20,451	19,339
DEBT SERVICE																
Interest Expense	623	7,481	7,481	7,088	6,654	6,174	5,644	5,058	4,411	3,696	2,905	2,032	1,066	0	0	0
Principal Payment	0	0	3,742	4,135	4,570	5,049	5,580	6,165	6,813	7,528	8,319	9,192	10,157	(0)	(0)	(0)
Total Debt Service	623	7,481	11,224	11,224	11,224	11,224	11,224	11,224	11,224	11,224	11,224	11,224	11,224	0	0	
Pre Tax Cash Flow	881	10,217	7,725	8,363	8,938	9,383	9,806	10,210	10,591	10,946	11,270	11,556	12,022	21,445	20,451	19,339
Tax Effect	104	1,153	1,443	1,647	1,858	2,075	2,299	2,529	2,766	3,011	3,263	3,522	3,965	5,698	5,434	5,138
Capacity Rebate	7,250	0	0	0	0	0	0	(1,450)	(1,450)	(1,450)	(1,450)	(1,450)	0	0	0	0
PROJECT AT CASH FLOW (23,750)	$8,027	$9,064	$6,282	$6,716	$7,080	$7,308	$7,507	$6,231	$6,375	$6,485	$6,557	$6,583	$8,057	$15,747	$15,017	$14,201
Pre Tax Debt Coverage Ratio	N/A	2.37	1.69	1.75	1.80	1.84	1.87	1.78	1.81	1.85	1.87	1.90	2.07			

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Depreciation:	Total	1992					1997	1998	1999	2000	2001						2007
Capital Cost & IDC	$95,000																
Undepreciated Balance-Book		$95,000	$94,604	$89,854	$85,104	$80,354	$75,604	$70,854	$66,104	$61,354	$56,604	$51,854	$47,104	$42,354	$37,604	$32,854	$28,104
Annual Tax Depr 8.3%		660	7,917	7,917	7,917	7,917	7,917	7,917	7,917	7,917	7,917	7,917	7,917	7,917	0	0	0
Straight Line Depr 5.0%		396	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750
Deferred Taxes 34.0%		90	1,077	1,077	1,077	1,077	1,077	1,077	1,077	1,077	1,077	1,077	1,077	1,077	(1,615)	(1,615)	(1,615)
Amortization:																	
Non-Depreciable Property	0																
Development Fees	0	0	0	0	0	0	0	0	0	0							
Financing Costs (Strt Line)	0	0	0	0	0	0	0	0	0	0							
Total Book Depr & Amort		396	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750
Taxes:																	
Pre Tax Cash Flow		881	10,217	7,725	8,363	8,938	9,383	9,806	10,210	10,591	10,946	11,270	11,556	12,022	21,445	20,451	19,339
Add: Principal Payment		0	0	3,742	4,135	4,570	5,049	5,580	6,165	6,813	7,528	8,319	9,192	10,157	(0)	(0)	(0)
Less: Depreciation & Amortization		396	4,750	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750
Pre Tax Book Income		486	5,467	6,717	7,749	8,757	9,682	10,635	11,625	12,654	13,724	14,838	15,998	17,429	6,695	15,701	14,589
Income Taxes (Book)		170	1,944	2,234	2,439	2,649	2,867	3,090	3,321	3,558	3,803	4,054	4,314	4,592	4,510	4,246	3,951
Book Income		316	3,523	4,483	5,310	6,108	6,816	7,545	8,304	9,096	9,922	10,784	11,684	12,838	2,185	11,455	10,638

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